

FISCAL NOTE

SB 1794 - HB 1672

March 23, 2005

SUMMARY OF BILL: Authorizes the Department of Financial Institutions to license and administer examinations to the title pledge industry. Violations of the provisions constitute a violation of the Tennessee Consumer Protection Act.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$20,400 One-Time
\$546,000 Recurring**

Increase State Revenues - \$152,600

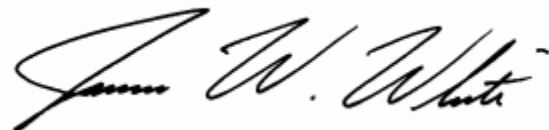
Decrease Local Govt. Revenues - Exceeds \$50,000

Assumptions:

- The Department of Financial Institutions would need to hire 10 additional personnel (5 loan examiners, 2 financial analysts, 1 attorney, 1 accountant and 1 consumer resources specialist) and related expenses to license and administer examinations to title pledge lenders.
- Estimated 5 examiners will conduct exams 85 days per year. Estimated 425 examinees paying \$237.50 per exam ($425 \times \$237.50 = 100,938$).
- Estimated 1,000 licensees a year paying an annual licensing fee of \$50. ($1,000 \times \$50 = \$50,000$)
- Estimated 33 licenses will be transferred paying \$50 transfer fee. ($33 \times \$50 = \$1,650$)
- Local governments that currently license title pledge lenders will no longer be permitted to charge an \$50 application fee.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director